1952. **File No.** O. Interest /52

Legal Deptt.

P 3E

A **BRANCH**

Subject:— Opinions under the Interest Act 1839

File No. O. Interest /52

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1	~~G.I. 1795~~ 1795	Whether in the amount of donation by Shri V. R. Velankar of Sangli, for remodelling the State Hospital is to be refunded the donor's claims for interest has any legal force.	1-3

Office of the Relds.

Refund of donation
Claim for interest-

Interest Act,
1839
Section 1.

It appears that Shri V.T.Velankar of Sangli had given a donation of Rs.1,00,000 to the Sangli State for the purpose of remodelling the State Hospital at Sangli in the year 1947. The exact terms upon which this donation was accepted by the Sangli State are not known; but Shri Velankar has put forth certain conditions which he states the State had accepted. The conditions put forth by Shri Velankar are not acceptable to this Government and Government is considering the question of refunding the amount. The donor, it appears, is willing to have the amount refunded ~~with~~ but in his letter dated the 14th August 1951, he has requested that the same should be refunded with interest. (vide page 107 ante). d.b.d. is requested, the advise whether, if the amount is to be refunded, the donor's claim for interest has any legal force.

2. Under section 1 of the Interest Act, 1839, the Court may allow interest to the creditor at a rate not exceeding the current rate of interest if the amount claimed is a sum certain which is payable at a certain time by virtue of a written instrument; or if payable otherwise, then from the time when demand for payment shall have been made in writing, so as such demand shall give notice to the debtor that interest will be claimed from the date of such demand until the term of payment. Shri Velankar has demanded refund in his letter dated the 14th August 1951 but he has not mentioned time by which the refund should be made nor has he given clear notice that he would be claiming interest if the amount is not paid by a certain date. In his subsequent letter he has merely asked for an early refund. In view of these circumstances if the amount is returned within a ----

reasonable time, the court is not likely to award any interest to him, nor would Shri Kolambar be entitled to it under the provisions of the Interest Act, particularly when there has been a revocation of the gift and the amount of donation lying with Government has earned no interest.

Sd/-

Remembrancer of Legal Affairs.

D.R. to A.S.G. & P.L.D.No.1733, dated the 4th February 1952.

R.D.P.
12/2/52

S.C.